

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268

MAIL PROCESSING NETWORK RATIONALIZATION
SERVICE CHANGES, 2011

Docket No. N2012-1

**UNITED STATES POSTAL SERVICE RESPONSES TO AMERICAN POSTAL
WORKERS UNION INTERROGATORIES (APWU/USPS-13-17)**
(March 20, 2012)

The United States Postal Service responds to the above-listed interrogatories from the American Postal Workers Union dated February 23, 2012 and February 24, 2012. Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony F. Alverno
Chief Counsel
Global Business & Service Development

Keith C. Nusbaum

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260
(202) 268-6687; Fax -5402
March 20, 2012

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APWU/USPS-13 Please refer to the response to APWU/USPS-T13-1, dated February 10, 2012, redirected from USPS Witness LaChance to the Postal Service for an institutional response.

- a) In areas that lose their mail processing facility as a result of an AMP, will customers be permitted to still have their mail cancelled with the local postmark?
- b) If so, how, is this accomplished? Please specify the type of location (i.e. Post Office, etc.) the grade and title of employee(s) responsible and the machine(s) used.
- c) If customers are permitted to have their mail locally cancelled after the loss of the mail processing facility, how long does this option remain available to customers?
- d) Are customers charged for this service?
- e) Will all of the options for getting mail locally cancelled remain after full implementation of Network Rationalization? If not, how will the options change?
- f) In these situations, will mail be cancelled with the local postmark via the all-purpose date stamp? If so, isn't the intended use of that stamp for receipts, registered mail and bank deposits according to Section 6-11.3.2 of the PO 209?
- g) If the mail piece is hand stamped, what will it say? If canceled at a station or branch will the cancelation name the station or branch or the city?
- h) If this is not done via the all-purpose date stamp are the costs of using mechanical postmark equipment included in the cost of the AMP? If so, where is this information recorded?
- i) If this is not done via mechanical postmark equipment, what manual postmarks are to be used and where will they be used? If the Post Office has more than one facility, would there be a need for multiple stamps unless a manual operation was created for postmarking? Are these costs included in the AMP? If so, where is this information recorded?

RESPONSE

- (a-e) The consolidation of mail processing operations at a plant subjected to a AMP is distinct from the closure of retail operations that also may exist at that location. Mailers presenting mail for acceptance at the remaining Post Office/station retail counter will retain the option of presenting their mail at the counter to be hand-cancelled under the same conditions as

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today by the employee at the counter, whether that employee is a Postmaster or retail clerk, at no additional charge.

- (f) The local all-purpose date stamp may be used to cancel mail at a retail facility so long as it complies with the requirements for a postmark, including that the mark is in black ink and it contains city, state, ZIP Code, month, day and year, as depicted in POM Exhibit 231.5. This is not inconsistent with Section 6-11.3.2 of Handbook PO-209 which permits the all-purpose date stamp to be used for stamping the customer copy of receipts and bank deposit slips, which is done with red ink.
- (g) What the handstamp at each such location will say will vary by location, and will be similar in character to what such handstamps say today. In some cases today, the city or postal facility is identified. Those options will continue to be employed.
- (h-i) See the response to part (g). Manual handstamping is already available and would continue. Automated cancellation equipment would not be retained as an option for responding to requests at a retail counter for a local postmark. It is not clear what is meant by a Post Office having more than one facility. It also is not clear why the AMP study analyzing mail processing operations would include an analysis of manual postmarking costs for a retail operation that remained at that location

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APWU/USPS-14 Please refer to the response to APWU/USPS-T13-1 and 2, dated February 10, 2012, redirected from USPS Witness LaChance to the Postal Service for an institutional response which references POM Section 312. Are postmarks available in areas that lose their mail processing facilities outside of the process detailed in POM Section 312?

RESPONSE

In today's environment, stamped mail not cancelled in response to a request at a retail counter for a local postmark (such as collection mail or mail dropped in a lobby chute or deposited at a BMEU) is transported to the originating plant serving that ZIP Code and postmarked mechanically there. That practice will continue in the future network.

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APWU/USPS-15 Please refer to the response to APWU/USPS-T13-1 and 2, dated February 10, 2012, redirected from USPS Witness LaChance to the Postal Service for an institutional response which references POM Section 312.

- a) When a customer seeks to have “significant mail volumes (50 or more pieces)” postmarked, please describe the “adequate resources” required.
- b) Is there a limit on the number of pieces in excess of 50 that can be locally cancelled under POM Section 312?
- c) If a mailer sought to have a mailing consisting of 1,000 pieces cancelled with the local postmark in an area without a processing facility, what steps would the mailer have to take to get the local postmark on the entire mailing? How long would this take? What would the Postal Service have to do to satisfy the mailers request?
- d) POM Section 312 does not address the costs of providing this service, are there any fees, nominal or otherwise, associated with this service?

RESPONSE

- (a) Adequate resources would consist of handstamps, ink, and personnel available to manually cancel the mail.
- (b) No specific limit is imposed. As set forth in POM 312.2, a mailer presenting significant mail volumes (50 or more pieces) should contact the postmaster or other manager in advance to ensure that adequate resources are available to provide a local postmark.
- (c) These circumstances are rare. As set forth in response (b) above, it would be prudent for anyone with such an extraordinary request to plan in advance. Directing an advance inquiry to a particular retail office in order to scheduling the presentation of such mail would allow the office to schedule the postmarking of the mail pieces around other activity and in advance of a dispatch of value. The Postal Service has not performed a study of the frequency or costs associated with such rare occurrences.

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(d) No.

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APWU/USPS-16 Please refer to the response to APWU/USPS-T13-4, dated February 10, 2012, redirected from USPS Witness LaChance to the Postal Service for an institutional response. In subpart (a) APWU inquired about the discounts that would be provided to mailers in the event they dropped mail at a BMEU that remained after the closure of the processing facility. The Postal Service responded: As the network is transitioned, mailers will be permitted to drop their mail at BMEUs that remain in an impacted facility. In this situation, mailers will continue to receive the same discounts. Future pricing decisions will be made subsequent to finalization of network changes.

- a) Please confirm that this response means that discounts will be available to mailers who drop their mail at the BMEUs that remain after a processing facility is closed/consolidated.
- b) At what point will the transition of the network be deemed complete and the finalization of the network occurred?
- c) Will future pricing decisions regarding the discounts that are provided to mailers who drop their mail at BMEUs that remain at an impacted facility, be automatic or will the Postal Service present this for evaluation as a rate adjustment?
- d) In Issue 181 of the "Bulk Mail Acceptance Newsletter," dated October 27, 2011, the USPS has published the following: It is the responsibility of the district In-Plant Support office to update the DMM Labeling Lists when a site is consolidated. This ensures that sites that are no longer processing mail will not be listed as Sectional Center Facilities (SCFs) and will ensure that mailers are aware that they cannot claim DSCF prices when depositing mail at these sites.
 - i. Please reconcile the statement from the Bulk Mail Acceptance Newsletter which indicates that mailers will no longer be able to claim discounted rates when dropping mail at facilities that are no longer processing mail, with the response to APWU/USPS-T13-4 which states that the discounts will still be available in these situations.
 - ii. How does the USPS inform mailers of this change in mail entry and the loss of DSCF prices when depositing mail at BMEU's that remain at an impacted facility?

RESPONSE

- (a) Confirmed.
- (b) When all of the activities that are a part of implementation the numerous consolidations under this initiative are accomplished, the initiative will have been completed. The period "subsequent to the finalization of network

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changes" was a reference to the period of time after service standard changes were implemented and all network changes to be implemented were identified and sufficiently well understood to provide a basis for measuring the impact of operational change on costs and assessing whether the current classification and price structure was appropriate for the future network. Whether that occurs in conjunction with the next round of CPI price increases remains to be seen. The network configuration resulting from the current initiative will not be "final." It is expected that adjustments of the new network through locally initiated AMPs will occur in response to local conditions, as is the case today.

- (c) As has been the case in the past, the classification and pricing structure can be expected to evolve in response to changes in operations and costs. It is not known what is meant by an "automatic" pricing decision.
- (d) i. An Industry Alert was communicated to mailers on December 22, 2011 stating that the DSCF discount would be extended to mailers through the Network Rationalization transition. Additionally, a Special BMA Newsletter, dated February 23, 2012, clarified the information found in the October 27, 2011 Bulk Mail Acceptance Newsletter stating that:
"Mailers will be encouraged to align their preparation and entry to the new network. However, they will continue to receive drop-ship entry discounts for mail entered at impacted facilities based on 3-digit ZIP Codes currently allowed."

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ii. The Postal Service has held webinars with Area & District BME staff to ensure the DSCF price extension message is being communicated directly to our mailers throughout the transition process. We also posted signage in BMEUs on February 23, 2012 stating that: "Mailers will continue to receive drop-ship entry discounts at this facility based upon 3-digit ZIP codes currently allowed."

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APWU/USPS-17 The list of approved AMP consolidations released on February 23, 2012 shows some offices as consolidating originating and destinating mail and some facilities as undergoing “full” consolidation.

- a) Please explain the difference between consolidating originating and destinating mail and a “full” consolidation.
- b) Does “full” consolidation indicate the building will be vacated? Are there other types of consolidations that will lead to the building being vacated? If so, please identify those.
- c) Given the completion of the AMP studies, can you now identify the locations that will be used as transportation hubs? If so, please provide a listing of those locations.

RESPONSE

- (a) The term “full” in this context was used to refer to the consolidation of all mail processing operations where the traditional terms “originating” and/or “destinating” do not apply.
- (b) No. Other postal functions could remain. The removal of all postal operations and administrative functions would render a facility vacant.
- (c) No, but when the determination of hub locations is virtually complete, a listing will be generated and filed.